

# Phase 2 Background Report Economic and Fiscal Conditions

## PROPERTY VALUES ANALYSIS

- Presentation to the Recreation and Socioeconomics Work Group for the Oroville Facilities Relicensing

Presentation to the Recreation and  
Socioeconomics Work Group  
January 29, 2004

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## PROPERTY VALUES ANALYSIS

- **Report Purpose**
  - To evaluate the relationship between the Oroville Facilities and local property values
  - Two types of relationships:
    - 1) Proximity (or distance) to Lake Oroville and local property values
    - 2) Lake levels at Lake Oroville and local property values

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## PROPERTY VALUES ANALYSIS

- **Methodology**
  - Hedonic property-pricing model
  - Multiple linear regression model to isolate and quantify factors that affect the value of property
  - Dependent variable = property sales price
  - Explanatory variables = structural, neighborhood, economic, and environmental/amenity factors

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## PROPERTY VALUES ANALYSIS

- **Study Area**
  - Communities where property values are affected by the Oroville Facilities
  - Area of Influence = Berry Creek, Concow, Feather Falls, Forbestown, Oroville, Palermo, and Paradise

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## PROPERTY VALUES ANALYSIS

- **Data**
  - County Assessor's records
  - Secondary sources for economic (interest rates), hydrology (lake level), and GIS data

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## PROPERTY VALUES ANALYSIS

- **Results: Structural Factors**
  - **Square footage:** + \$66 per sq. foot
  - **Swimming pool:** + \$7,807
  - **Structure quality:** + \$17,983 per rating
  - **Home age:** - \$322 per year

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## PROPERTY VALUES ANALYSIS

- **Results: Economic Factors**
  - Interest rates: - \$5,810
  - High demand (April thru August) period: + \$9,614

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## PROPERTY VALUES ANALYSIS

- **Results: Neighborhood/Locational Factors**  
[ALL VALUES RELATIVE TO OROVILLE]
  - **Concow:** - \$18,520
  - **Berry Creek:** - \$11,635
  - **Feather Falls:** - \$22,824
  - **Paradise:** + \$24,461
  - **Forbestown:** + \$23,652
  - **Palermo:** + \$9,950



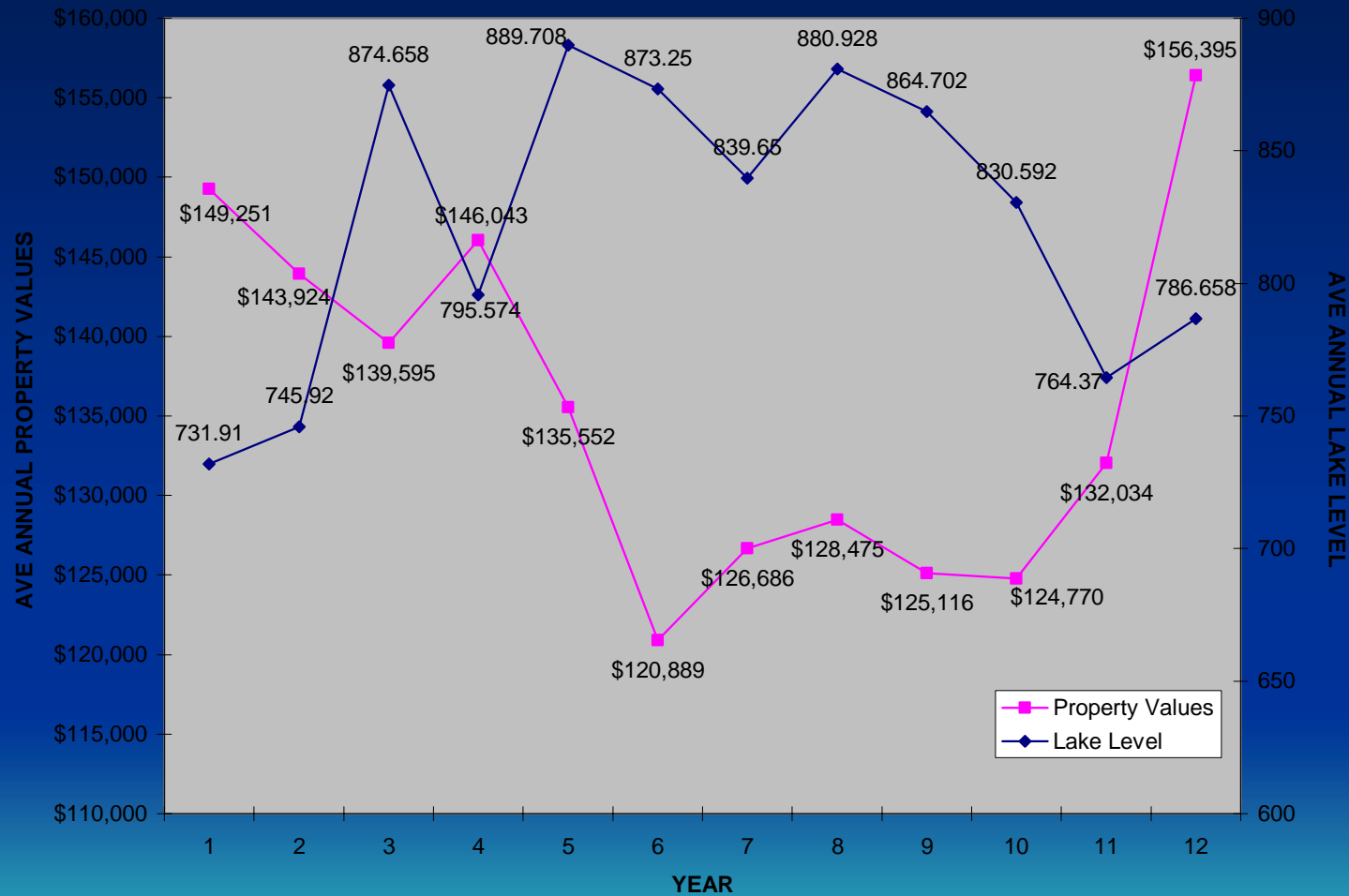
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## PROPERTY VALUES ANALYSIS

- **Results: Environmental/Amenity Factors**
  - **Distance from lake:** - \$45 per meter
  - **Lake levels:** inconclusive

# PROPERTY VALUES ANALYSIS

Lake Level vs. Property Values



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## PROPERTY VALUES ANALYSIS

- **Conclusions**
  - Structural characteristics are important
  - Interest rates/timing is important
  - Community is important
  - Distance from lake is important
  - Lake level is inconclusive